

# **JOURNAL OF THE LATVIAN NUMISMATIC SOCIETY**



**NUMBER 3 - SUMMER 1984**

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## FROM THE EDITOR

Welcome to issue number three of the Journal. We are again, running a little late, but not as late as with the last issue. We hope that Mr. Daniel's superb article will have been worth waiting for. The conclusion of this article will be in the next Journal.

This issue inaugurates a new column, "Auction Spotlight" which will continue on a regular basis, as information comes in, to keep us up on the market activity on the less common Latvia items.

The catalog for our first Mail Bid Sale is enclosed on a separate sheet. Please follow the instructions carefully when bidding.

We have received mail from many members. We welcome and appreciate your input. If you haven't written, don't be shy, drop us a line in English, Latvian or in German, whichever language is more comfortable for you. Until next time, happy reading and bidding.

### AUCTION SPOTLIGHT

The purpose of this column is to inform our members of recent auction prices on interesting and scarce Latvian numismatic material. Write us if you have some information for this column. Send us a photocopy of the catalog pages and indicate the prices realized, and in what currency. We will list all prices in US dollars and note the conversion factor used.

Auction 29 of B. Ahlstrom Mynthandel in Stockholm was held on April 8 and 9, 1984 and had over a dozen coins of Riga under Swedish rule in it. Most of these coins were talers with some gold ducats as well. (Prices listed in US\$ at an exchange rate of 1SKr.=\$0.12) A 10% buyers charge is added by the firm on top of the shown realized prices.

Continued on page 10

# Latvian Banknotes Converted to Postage

By Forrest W. Daniel

Thirty-two Latvian postage stamps deserve numismatic recognition, not because they were used as a substitute for money as so many stamps were, but because they were printed on paper originally intended to be paper money. So many sheets of unfinished currency were left behind by defeated Bolshevich and German forces in 1919 that the young Latvian nation was supplied with paper for some time. A great shortage of paper forced the use of any paper available for stamps: military maps and ruled writing paper were also used.

Several contending forces were opposed in the struggle for Latvian independence: Russia, Germany and the Latvian people with the assistance, at the end, of Great Britain and France. Latvia, at the beginning of World War I, had been part of Russia for more than a century and under her domination for several decades more. However, German influence was deeply ingrained in the influential landed and mercantile classes. Crusading knights from Germany conquered the Baltic area in the 13th century and set themselves as masters of the land and trade in Latvia. Riga became one of the richest cities of the Hanseatic League, and the influence of the German merchant princes remained for centuries.

In time the German trading centers lost their dominance, and the area became part of Poland. Later, when Sweden became a power in the north, Latvia passed to her by conquest. The rise of Russia under Ivan IV and Peter I made access to the Baltic coast a necessity, leading to Russian acquisition of the area.

The old German landed nobility remained from the early times. They had been under some restraint under Swedish rule, so took an active part in the change to Russian rule and were influential in Russian affairs under the empire.

The German army occupied the province of Kurzeme (Courland) in 1915 but the "Oberost" military administration was unable to extend itself farther into Latvia until the revolution undermined Russian resistance. Riga was not occupied until September, 1917. Early resist-

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ance to German invasion was enhanced by the formation, in 1915, of eight Latvian regiments in the Russian army. These units later became the nucleus of the Latvian nationalist army, although some joined the Communist revolutionaries.

The fall of the Russian imperial government in 1917 nurtured the nationalistic feeling of many groups throughout the empire, not least the Latvians. Most prominent among the freedom groups were the Latvian Provisional National Council, which issued a declaration of independence in November of 1917, and the Latvian Democratic Bloc. The two groups formed a common front in 1918 and with the imminent defeat of Germany again proclaimed Latvian independence and asked for recognition by the Allies. An independent Latvia was recognized by Great Britain on November 11, 1918, and a provisional government with Janis Cakste, president, and Karlis Ulmanis, prime minister, was established in Riga a week later. The provisional government then had to fight both Russian and German attempts at domination.

Part of the Latvian Rifles contingent in the Russian imperial army turned Red and invaded Latvia on December 14, 1918, and on January 3, 1919, proclaimed the Riga Workers' Council a Soviet republic. The Latvian government retreated to Liepaja. The Germans offered assistance to the retreating Latvians and advanced on Riga. The Reds evacuated Riga on May 22, and the Germans took over. The Latvians then turned against the Germans and the Germans were forced from Riga a month later. In June an Allied military commission ordered all German forces to return to East Prussia. After a delay, the commander, Gen. von der Goltz, and part of the army left, but some 42,000 men remained in the field. A German-Russian adventurer, Col. Pavel Bermond-Avalov, took command of the force, declared it to be the "White Russian Volunteer Army of the West" and continued fighting, still receiving support from Germany.

Bermond-Avalov's "Westarmy" occupied some suburbs of Riga on October 8 but was forced to retire to Jelgava by the Latvians with assistance from British and French naval artillery on November 10. The Westarmy occupied Jelgava until December, 1919, before being driven from Latvia.

The province of Latgale remained in Red hands until January, 1920; then Latvia was free. The peace treaty with Germany was signed June 19, 1920, and with Soviet Russia on August 11.

Several types of currency circulated in Latvia in 1919, issues of the Russian and Latvian governments, the German military authority, and local and provincial issues.

Only the issues of the Riga Workers' Deputies' Council (*Rigas Stradneeku Deputatu Padomes*) and Bermond-Avalov's Westarmy are of concern in this study. The Riga Workers' Council was in control of Riga from January 3 until May 22. and the Germans headquartered in Jelgava from April until late in December.

The issuance of currency by insurgent armies during brief periods of military occupation is not as frivolous a pursuit as it may seem. It gives a feeling of permanence and security: its value depends, however, on the success of the issuing authority. During the period of doubt, use of the currency gives some semblance of payment by the group in power and garners some support for the regime in the hope the currency will eventually be redeemed.

The story is told of a Russian general who became very offended when offered some notes of his own issue in change for a bill of higher value. He said, "I had that money printed to pay out, not to have it returned." But being an accommodating person, he said he was willing to take British or American money in change. In his position he might not have felt like paying at all.

## NUMISMATICS

The Riga Workers' Council issued four denominations of very colorful lithographed Exchange Notes (*Mainas Zimes*) bearing the signatures of Simanis Bergis, president, and Grikewitz, secretary. They are dated 1919 and designated valid until January 1, 1920. All notes have the hammer and scythe and the red star of the Communists and the phrase which translates "Workers of the world unite." The notes are not numbered but have the following control letters: 1 rublis, AR; 3 rubli, AB; 5 rubli, RO; 10 rubli AK. Total issue was 4,231,140 rubli.

Quantities of unfinished notes were left behind at the printing office of Alex. Grosset (later the State Printing Office) in various states of completion when the Reds evacuated Riga on May 22. The 3, 5, and 10 rubli notes exist printed only on one side: since unfinished notes did not circulate as currency, it is reasonable to believe that some of the sheets were cut for souvenirs and to provide varieties of collectors. The Latvian government, faced with a shortage of paper for its own use, laid claim to the sheets of unfinished notes and used the blank sides of 5 and 10 rubli notes as stock for printing postage stamps.

The paper used for 1, 3, and 5 rubli notes was manufactured by Louis Staffel, Witzenhausen, and has a star and triangle watermark. The 1 rublis note is brown, blue and red; designed by B. Dzenis; 93 x 54 mm.; printed 10 x 10, 100 to the sheet. The green, red and black 3 rubli note was designed by A. Cirulis; 100 x 60 mm. in size and printed 6 x 5, 30 to the sheet. Neither the 1 nor the 3 rubli notes were used for stamps.



Five rubli notes of the Riga Soviet were designed by L. Liberts and printed in blue, red and black; the 114 x 71 mm. notes were arranged 6 x 5, or 30 notes to each 18 x 23<sup>3</sup>/<sub>8</sub> inch sheet. Sheets with the blue background color only on one side were cut in half to facilitate the printing of postage. Both halves of the sheet were numbered. The blue half sheets are the only ones to have been numbered, seemingly as a control, before being printed as stamps. The side printed with stamps is also numbered.

The brown, green and red 10 rubli notes were printed on pinkish paper with a wavy line watermark manufactured by Poensgen & Co., Bergisch Gladbach. These notes were found in several states of completion: 1.) the complete note, brown, red and green; and partially printed notes: 2.) only brown and green; 3.) without rays and red color; and 4.) brown text only. All four states were used for stamps, the latter three types being scarce. The notes measure 113 x 73 mm., printed 6 x 5, or 30 to the sheet.

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The government of Col. Bermond-Avalov and his volunteer army of the west was located at Jelgava, also known as Mitau, 20 miles southwest of Riga from October to December, 1919. After the defeat of that army by the Latvian government, a quantity of unfinished Provisional Exchange Notes was found there. The government took possession of the paper.

One, 2, 5 and 10 mark lithographed notes were printed by J. Stefanhagen, but all the 2 mark notes were destroyed in a fire in a railroad car in Jelgava. One side was printed with Russian text and the other with German, the Russian side being considered the front. The notes are dated "Mitau, 10 Oct. 1919" and are payable April 1, 1920. Signatures are Avalov-Bermond, Colonel, Commander-in-chief of the Army; and Engelhardt, Manager of the State Economic Department of the Army.

All of these notes have the Russian imperial eagle and a Maltese cross on the Russian side of the bill, and the Russian orthodox cross faintly outlined in the tinted backgrounds. The notes are serially numbered and have the embossed seal of the Voluntary Army of the West with a double-headed eagle. All values of the notes are known without the embossed seal. The paper has no watermark; the manufacturer is unknown.

The 1 mark note is 100 x 70 mm. in size and has a light brown front with black text; the back is blue text on a light blue background. The 5 mark is 120 x 86 mm.; it has black text on a blue and pink background, while the back is red on a pale pink background.

The 10 mark note is printed with the black Russian text on greenish paper, while the German back is brown text on green background; the size is 134 x 95 mm. Ten mark notes are known without the green background and in other varieties. Of the Bermond-Avalov notes only the unfinished 10 marks were used for postage stamp paper.

In addition to the three values of notes printed in Jelgava a 50-mark note was printed by Schulz or Schwarz in Berlin. The design is completely different from the Jelgava notes. They are very similar in layout to the Russian 50 ruble note of 1899 except that the portrait of the czar is replaced with the Russian eagle. The reverse text, in German, is that of the Bermond-Avalov Westarmy. The front has black text on white paper, and the back has green text on a tan background; note size is 148 x 93 mm.

Circulation of Westarmy notes is stated officially as 10 million marks, but there is speculation that the total is much more, especially since the Berlin notes appear to total 25 million marks themselves. The financial affairs of the Westarmy were the private business of the commander, so there is no way to determine the accuracy of his accounting.

Minor varieties include different sizes of serial numbers.

## PHILATELICS

As paper stock for its earliest issues of postage stamps, the young Latvian republic had to use whatever paper it could find in sufficient quantities to make its use practical. Military maps and ruled writing paper were used in addition to other stocks of unused paper which were available. As a result, several issues of stamps have unusual designs on the back, or gum side. Unfinished sheets of Riga Soviet and German army bank notes were added to the paper supply, resulting in an unusual combination of philatelics with numismatics.

The 1919 Latvian Independence Commemorative issue of postage stamps appears in three values and two sizes. Mother Latvia is depicted with a sword in her right hand and holding a wreath with the inscription "1918 / 18 Nov. / 1919" with her left. Stamps of 10 kapeikas, colors brown and rose, appear on both wove and laid paper in size 33 x 45 mm. Laid paper stamps, size 28 x 38 mm., are 10 kapeikas brown and rose and 35 kapeikas indigo and green. (The foregoing stamps do not relate to the subject of this paper.)

The 1 rublis value in the smaller size appears on thick wove paper with star and triangles watermark. This is



the paper used for the 5 rublinotes of the Riga Workers' Council cut in half and salvaged for use as postage, giving the stamps a variable blue design on the back. Stamps were printed 78 to the sheet, arranged 13 x 6, with 531,024 printed.

The rublis stamps were withdrawn from sale in 1920 so they could be overprinted with new values of 10, 20 and 30 rubli. Postal officials feared the simple oval block lithographed overprint could be easily counterfeited, so use of the revalued stamps was limited to consignments, parcel post and money orders; "but on no consideration are these stamps to be handed over to the public for taking away from the post offices." All overprinted stamps presented by the public, not purchased at the moment, were to be considered counterfeit. Stamp dealer George H. Jaeger of Liepaja reported he was able to purchase stamped (cancelled?) sheets of high value stamps on order of the Postmaster General. Color and amounts of the overprints are: 10r black on 1r, 234,000; 20r brown on 1r, 156,000; 30r blue on 1r, 78,000.

The overprinted stamp 10r on 1r of 1920 was again overprinted in 1921 restating the 10r value with the words "Desmit rubli" in two lines, with 215,668 being issued.

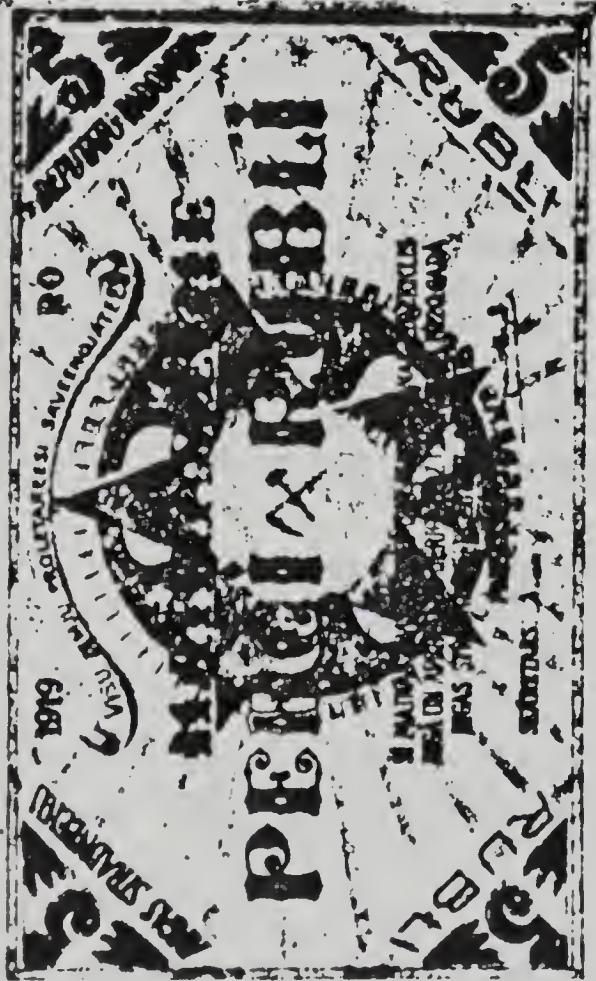
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The Latgale Relief issue of 1920 depicts Mother Latvia with provinces Vidzeme and Kurzeme at her side welcoming home the province Latgale after her liberation from the Reds. The stars in the upper corners represent the three provinces of Latvia. This issue was printed entirely on the backs of half sheets of unfinished 10 mark bank notes of the Bermond-Avalov army and have brown and green backs. The 50 kapeikas stamp is dark green and rose, and the 1 rublis is slate green and brown. They were printed 108 stamps to the sheet, arranged 9 x 12. Amounts issued: 50k. 1,363,716; and 1r. 999,972.

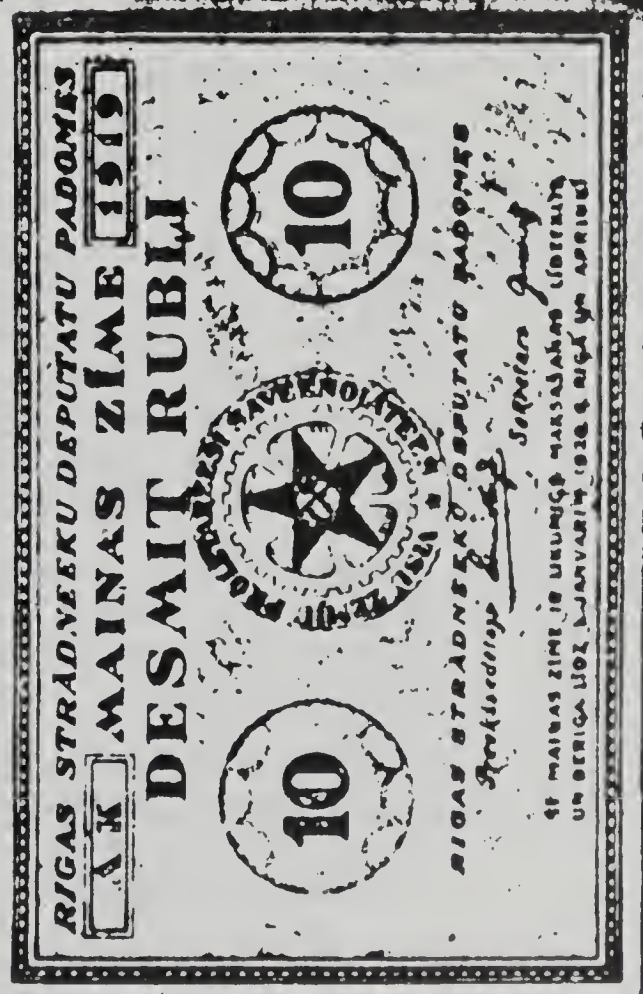
Latgale Relief stamps of 50k value were overprinted in 1921 with new high values for money orders and account purposes in addition to postage. The value panel was covered with diagonal lines, and the new values appeared above in ornate numerals and repeated in sans-serif letters. Overprints are black for the 10, 20, 30, and 50 rubli values and blue for the 100 rubli. Quantities of revalued stamps are: 10r on 50k. 373,032; 20r on 50k. 106,812; 30r on 50k. 84,996; 50r on 50k. 52,433; 100r on 50k. 30,996.

Latvian semi-postal stamps of 1920 provide the greatest variety of types printed on bank notes—20 major types. Semi-postal stamps call for the payment of two rates: one the postal fee and the other an additional fee for the benefit of some charitable organization or to raise funds for other public works. In this case the additional fee went to the Latvian Red Cross.

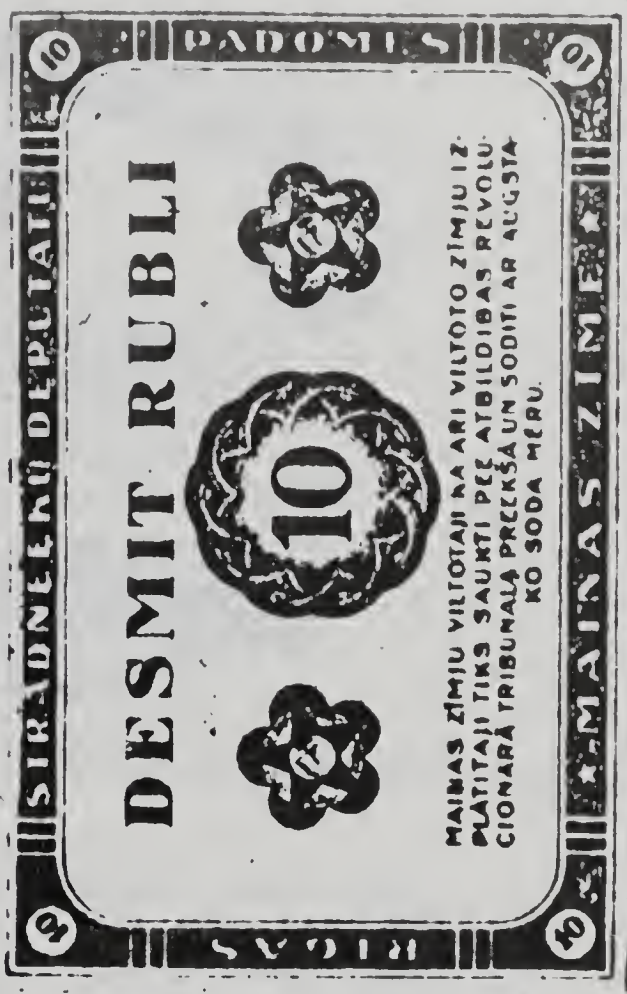




Complete 3 rubli note of the Riga Workers' Council



Complete 10 rubli note of the Riga Workers' Council





### Russian side of the 10 Mark Bermond-Avalov note

Stamps with the brown and green back were printed on 10 mark Bermond-Avalov notes. Quantities are: 20 (30)k 313.155; 40 (55)k. 312.848; 50 (70)k, 252.287; 1 (1.30)r. 252.287.

Stamps with blue backs were printed on the 5 rubli notes of the Riga Workers' Council. Quantities are: 20 (30)k, 170.672; 40 (55)k, 170.427; 50 (70)k, 170.278; 1 (1.30)r, 142.521.

To be continued in next issue



Auction Spotlight - Continued from page 1.

- Gustav II Adolf (1611-1632) Riga, Taler, 1629.  
 Dav. 4587. R F-VF \$744.00
- Riga, Taler, 1629. Dav. 4587. Ex Bergman(1950) and Ekstrom (1976) sales. Small hole on edge. R VF-XF \$1008.00
  - Riga, Taler, 1630. Dav. 4588. Ex Vogel (1928) and Ekstrom (1975) sales. RR VF \$1032.00
  - Riga, Taler, 1631. Dav. 4588. Ex Bernstrom (1928) and Ekstrom sales. VF-XF \$2400.00
- Kristina (1632-1654) Riga, 5 Ducats, gold, 1645. 17.00 grams. SB 30. Only 3 specimens are known in private collections. RRR EF \$11040.00
- Riga, 3 Ducats, gold, 1643. 10.51 grams. SB33. Has been mounted. As rare as the 5 ducats, above. F-VF \$3000.00
  - Riga, Taler, 1639. Dav. 4589. Has been tooled. R VF-EF \$ 600.00
  - Riga, Taler, 1643. Dav. 4590. Ex Vogel (1926) and Ekstrom (1975) sales. RR VF \$ 768.00
  - Riga, Taler, 1644. Dav. 4592. Ex Bergman (1950) and Ekstrom (1975) sales. RR EF \$1560.00
  - Riga, Taler, 1645. Dav. 4594. Scratches. VF \$1260.00
- Karl X Gustav (1654-1660), Riga, 5 Ducats, gold, 1655. 19.25 grams. SB 76. Bent in several places. RRR F \$1620.00
- Karl XI (1660-1697), Riga, Taler, 1660. Dav. 4596. VF \$ 552.00
- Riga, 1/2 Taler, 1668. SB95. RRR F-VF \$ 912.00

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Auction VI of World-Wide Coins of California, Beverly Hills, Calif. had a closing date of 24 May, 1984. It had a single taler of Riga (this sale had no buyers fee):

Riga, Free City, Taler of 18 Ferdingen, 1574.  
 Dav. 8459, HCz-6317 R<sup>6</sup>. Shield with Crossed Keys/City Gate with Lion's Head under Portcullis. Very Rare. VF \$2000.00

REFERENCES: Dav. - Davenport, J.S. European Crowns  
 SB. - Ahlstrom, B. et al, Coins of the Swedish Possessions.

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